

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

POWER INTEGRATIONS, INC.,
Plaintiff,
v.
FAIRCHILD SEMICONDUCTOR
INTERNATIONAL, INC., et al.,
Defendants.

Case No. [09-cv-05235-MMC](#)

**ORDER DENYING DEFENDANTS'
MOTION FOR RELIEF AND TO
VACATE JUDGMENT**

Re: Dkt. No. 1019

Before the Court is defendants Fairchild Semiconductor International, Inc., Fairchild Semiconductor Corporation, and Fairchild (Taiwan) Corporation's (collectively "Fairchild") Motion for Relief and to Vacate Judgment, filed January 6, 2017. Plaintiff Power Integrations, Inc. ("Power Integrations") has filed opposition, to which Fairchild has replied. Having considered the parties' respective written submissions, the Court rules as follows.¹

BACKGROUND

The parties are familiar with the procedural background of the case. As relevant to the instant motion, suffice it to say that two jury trials were conducted, the first on the issues of liability and damages, after which the Court granted Fairchild's motion for a new trial on the issue of damages, and the second on the issue of damages alone, after which the Clerk of Court entered judgment.

On December 12, 2016, Fairchild filed a Statement of Recent Decision, requesting a status conference as to the effect of the Federal Circuit's opinion in a case brought by

¹ By order filed February 7, 2016, the Court took the matter under submission.

1 Power Integrations against Fairchild in the District of Delaware. See Power Integrations,
2 Inc. v. Fairchild Semiconductor Int'l, Inc., 843 F.3d 1315 (2016) (hereinafter "Fairchild II").
3 The Court conducted a telephonic status conference and granted Fairchild leave to file
4 the instant motion, which Fairchild brings under Rule 54(b) of the Federal Rules of Civil
5 Procedure and, alternatively, under Rule 60(b)(6).

6 DISCUSSION

7 In support of the instant motion, Fairchild makes several arguments, which the
8 Court addresses in turn and, as discussed below, finds unpersuasive.

9 First, as to the Seventh Amendment, the Court, contrary to Fairchild's argument,
10 finds there has been no violation. In particular, the "second (damages) jury" was not
11 "asked to find damages based on additional acts of liability beyond those determined by
12 the first (liability) jury." (See Mot. at 8:11-13). At whatever point one may draw the
13 dividing line between liability and damages in a case where a plaintiff seeks damages in
14 the form of lost profits, where, as here, a plaintiff seeks damages in the form of a
15 reasonable royalty, that line is drawn immediately after the jury finds "at least one"
16 instance of induced infringement. See Lucent Technologies, Inc. v. Gateway, Inc., 580
17 F.3d 1301, 1323 (Fed. Cir. 2009). Thereafter, the jury, in considering how the parties to
18 the hypothetical negotiation would have arrived at the amount of a royalty, may look, for
19 example, to a defendant's infringing sales; even at that stage, however, there is no
20 "requirement" that such damages be "limited to specific instances of infringement." See
21 id. at 1334 (noting, while jury may find it "helpful" to consider "evidence of usage,"
22 companies "in the high-tech computer industry often strike licensing deals in which the
23 amount paid . . . is not necessarily limited to the number of times a patented feature is
24 used by a consumer").

25 Next, contrary to Fairchild's argument, the Court finds Power Integrations
26 submitted "sufficient evidence showing successful inducing communication between
27 Fairchild and the identified third party direct infringers." (See Mot. at 14:10-14.) Indeed,
28 in Fairchild II, the Federal Circuit held "it was sufficient to allow the jury to find," as the

1 Court did here, “that Fairchild had induced its customers . . . to infringe as a class,” see
 2 Fairchild II, 843 F.3d at 1334, and that, based on essentially the same type of evidence
 3 as submitted in the instant case, Power Integrations had “provided the jury substantial
 4 evidence upon which to find inducement,” see Fairchild II, 843 F.3d at 1334 (listing
 5 evidence on which Power Integrations relied).


6 Lastly, contrary to Fairchild’s argument, the Court’s jury instructions did not
 7 “misstate[] the law of inducement.” (See Mot. at 17:24-25.) In contrast to the instruction
 8 in Fairchild II, which improperly told the jury it could find liability based on what was, in
 9 essence, attempted inducement, the instruction given in the instant case correctly
 10 informed the jury that Fairchild’s acts must in fact have resulted in direct infringement.
 11 Compare Fairchild II, 843 F.3d at 1330-32 (finding reversible error where district court
 12 instructed jury: “[I]n order to find inducement . . . , infringement need not have been
 13 actually caused by the party’s actions; [a]ll that is required is that the party took steps to
 14 encourage or assist that infringement, regardless of whether that encouragement
 15 succeeded, or was even received.”), with Power Integrations v. Fairchild Semiconductor
 16 Int’l, Inc., No. 09-5235-MMC, Doc. No. 552 (Trial I Jury Instructions), at 26 (instructing
 17 jury: “In order to be liable for inducement of infringement, the party accused of the
 18 infringement must . . . have intentionally taken action that actually induced infringement
 19 by another.”).

20 CONCLUSION

21 For the reasons stated above, Fairchild’s motion is hereby DENIED.

22
 23 **IT IS SO ORDERED.**

24
 25 Dated: February 22, 2017

26 
 27 MAXINE M. CHESNEY
 28 United States District Judge